

SENATE BILL No. 286

DIGEST OF INTRODUCED BILL

Citations Affected: IC 15-7-7-18; IC 26-1.

Synopsis: Repeal of uniform bulk sales law. Repeals the uniform law concerning the documentation and regulation of bulk sales. Makes conforming amendments.

Effective: July 1, 2006.

Simpson

January 9, 2006, read first time and referred to Committee on Judiciary.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 286

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 15-7-7-18 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18. (a) This chapter
3 does not affect a security interest that the wholesaler, manufacturer, or
4 distributor may have in a retailer's inventory.

5 ~~(b) IC 26-1-6-1 does not apply to a repurchase of inventory under~~
6 ~~this chapter.~~

7 SECTION 2. IC 26-1-1-105 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 105. (1) Except as
9 provided in this section, when a transaction bears a reasonable relation
10 to this state and also to another state or nation the parties may agree
11 that the law either of this state or of such other state or nation shall
12 govern their rights and duties. Failing such agreement, IC 26-1 applies
13 to transactions bearing an appropriate relation to this state.

14 (2) Where one of the following provisions of IC 26-1 specifies the
15 applicable law, that provision governs and a contrary agreement is
16 effective only to the extent permitted by the law (including the conflict
17 of laws rules) so specified:

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IC 26-1-2-402 concerning rights of creditors against sold goods.

IC 26-1-2.1-105 and IC 26-1-2.1-106 concerning leases.

IC 26-1-4-102 concerning bank deposits and collections.

IC 26-1-4.1-507 concerning funds transfers.

IC 26-1-5.1-116 concerning letters of credit.

~~IC 26-1-6.1-103 concerning bulk sales.~~

IC 26-1-8.1-110 concerning investment securities.

IC 26-1-9.1-301 through IC 26-1-9.1-307 concerning the perfection, the effect of perfection or nonperfection, and the priority of security interests.

SECTION 3. IC 26-1-2-403 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 403. (1) A purchaser of goods acquires all title which his transferor had or had power to transfer, except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase, the purchaser has such power even though:

(a) the transferor was deceived as to the identity of the purchaser;

or

(b) the delivery was in exchange for a check which is later dishonored; or

(c) it was agreed that the transaction was to be a "cash sale"; or

(d) the delivery was procured through fraud punishable as theft under the criminal law.

(2) Any entrusting of possession of goods to a merchant who deals in goods of that kind gives him power to transfer all rights of the entruster to a buyer in ordinary course of business.

(3) "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be theft under the criminal law.

(4) The rights of other purchasers of goods and of lien creditors are governed by IC 26-1-9.1 on secured transactions, ~~IC 26-1-6.1 on bulk sales~~, and IC 26-1-7 on documents of title.

SECTION 4. IC 26-1-6.1 IS REPEALED [EFFECTIVE JULY 1, 2006].

SECTION 5. [EFFECTIVE JULY 1, 2006] **Rights and obligations that arose under IC 26-1-6.1 before the repeal of IC 26-1-6.1 by this act remain valid and may be enforced as though IC 26-1-6.1 had not been repealed.**

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